

## ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, September 17, 2009, 5:00 p.m.  
ABAG Conference Room B  
MetroCenter—8<sup>th</sup> and Oak Streets  
Oakland, CA

<u>Est. Time in Minutes</u>		<u>Recommendation**</u>
2	1. <b>Public Comments</b>	Information
3	*2. <b>Minutes of the July 16, 2009 Meeting</b>	Action
5	*3. <b>Financial Reports – ABAG</b> <i>The June and July 2009 reports are enclosed with the agenda packet.</i>	Action
5	4. <b>Membership Dues Not Yet Received</b> <i>The list of members and the FY 2009-10 dues amount not yet received by ABAG will be distributed at the meeting for review and discussion.</i>	Information
10	*5. <b>Report on Diversity and Business Opportunity—FY 08-09</b> <i>The Executive Director will present the annual Diversity and Business Opportunity Report.</i>	Action
10	*6. <b>Authorization to Borrow up to \$700,000 for Office Renovation</b> <i>Staff will report on the proposed renovation cost estimates and the amortization of the loan and request committee recommendation to Executive Board authorizing borrowing up to \$700,000.</i>	Action
	7. <b>Adjournment</b>	Action

\* Attachments enclosed with packet.

\*\* The committee may take action on any item on the agenda, which action may be the recommended action, any other action or no action.



# ABAG FINANCE AND PERSONNEL COMMITTEE

## Summary Minutes

July 16, 2009

### Members Present

Supervisor Scott Haggerty, Chair  
Supervisor David Cortese  
Supervisor Rose Jacobs Gibson  
Supervisor John Gioia  
Mayor Mark Green  
Supervisor Mike Kerns  
Supervisor Barbara Kondylis

### Jurisdiction

County of Alameda  
County of Santa Clara  
County of San Mateo  
County of Contra Costa  
City of Union City  
County of Sonoma  
County of Solano

### Members Absent

Vice Mayor Peter McHugh  
Mayor A. Sepi Richardson

City of Milpitas  
City of Brisbane

### Officers and Staff Present

Henry Gardner, Executive Director  
Ezra Rapport, Deputy Executive Director  
Patricia Jones, Assistant Executive Director  
Kenneth Moy, Legal Counsel  
Herbert Pike, Finance Director  
Brian Kirking, Information Services Director  
Susan Hsieh, Assistant Finance Director

### Guests:

Austris Rungis, IEDA  
Michael Costa

The meeting was called to order at 5:00 p.m.

- 1) There were no public comments.
- 2) Minutes of the May 21, 2009 meeting were approved as presented.  
/M/Green/S/Kondylis/C/approved.
- 3) Pike summarized the ayl 2009 financial report for ABAG. Emphasis was on the slow recovery from the State creating high receivables and low cash balance. Committee members reviewed efforts to expedite payment of dues to boost the cash balance.  
/M/Cortese/S/Rose-Gibson/C/ to accept reports.

**AGENDA ITEM 2**

- 4) Closed Session was held with Agency designated representatives Patricia Jones, Brian Kirking and Austris Rungis (IEDA) regarding a tentative agreement with ABAG's employee union—SEIU 1021.  
Chair to report to the Executive Committee the results of their review of the proposed agreement.
- 5) Meeting was adjourned at 5:45 p.m.

TO: Finance and Personnel Committee

DT: August 24, 2009

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--June 2009

The following are highlights of the financial reports for June 2009.

Cash on Hand (Figure 1)

Cash on hand increased to \$896 thousand on June 30 from \$878 thousand on May 31. The June balance includes approximately \$372 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The June 30 cash balance is approximately \$785 thousand less than the prior year. This reduction in year-to-year balance is more dramatic when noting the current cash balance includes about \$565 thousand designated to cover the Annual Required Contribution (ARC) to amortize the Agency's unfunded liability for Other Post Employment Benefits (retiree health care) over the next 30 years. Thus, the "uncommitted" cash balance is actually down almost \$1.35 million from last year after accounting for the new OPEB liability. The downturn is attributed primarily to the higher receivables noted below.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$4.19 million on June 30, an increase of \$190 thousand from the month prior. Compared to June 30 the year prior, the total reflects an increase of approximately \$1.68 million. It is anticipated that the continued reduction in State staffing and requested furloughs may slow reimbursements in the succeeding months. Some projects to be supported by State bond sales, although restarted, are awaiting reimbursement when certain bonds are sold; we have not yet received word when bonds supporting several of ABAG's projects will be sold. Staff is seeking to accelerate collections from other Federal and local funding sources.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses on June 30 amounted to about \$18.66 million, or 103.1%, of May-revised projected expenses of \$18.1 million for FY 08-09.

Actual vs. Budgeted Revenues (Figure 10)

At June 30, total revenues amounted to about \$18.59 million, or 102.7%, of May-revised projected revenue of \$18.1 million for FY 08-09.

As of June 30, both revenues and expenses are below "approved" projections, but in excess of the May-revised projections. The reductions from "approved" projections to May-revised projections are largely due to the timing of consultant and sub-contractor expenses that are grant funded and span multiple years. The difference between the approved budget of \$26.7 million and the projections above reflect the typical multi-year programs and their budget balances at fiscal year-end that will be carried forward to the following year. The increase in June from May-revised figures is not atypical; for the closing month of the fiscal year, the books are kept open longer to post all expenditures committed and income earned in June, even if not paid until later.

#### Fund Equity (Figure 5)

As of June 30, general fund equity was approximately \$1.05 million, an increase of \$103 thousand from May 31. The agency's restricted fund equity, consisting of building bond interest, capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

#### Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 43.8% of direct labor cost as of June 30, or about 0.8% above the budgeted rate of 43.00% for FY 08-09. However, because the \$52,880 overage can be recovered as part of the FY 10-11 overhead, it is deducted from the overhead to reduce the year-end overhead to the budgeted 43.00%.

#### Overall (Figures 3, 4, 7 & 8)

At June 30, the agency's net financial position is reasonably close to forecast with a modest deficit of roughly \$64 thousand, or 0.34% of annual revenues. The small loss is nominal given the financial challenges ABAG had to confront during the course of the last fiscal year with projects being frozen, recoveries delayed, reduced proceeds from enterprise operations, and reduced interest earnings due to both lower interest rates and reduced fund balances. The prepayment of FY 09-10 membership dues alleviated year-end liquidity constraints. Recently, several suspended state grants have been restarted with the use of federal ARRA funding. However, to conserve cash as receivables remain high, the agency did defer its contribution toward retiree medical liabilities. Payment of the deferred \$565 thousand in contributions is expected within the first half of FY 09-10 if receivables are brought down to more normal rates.

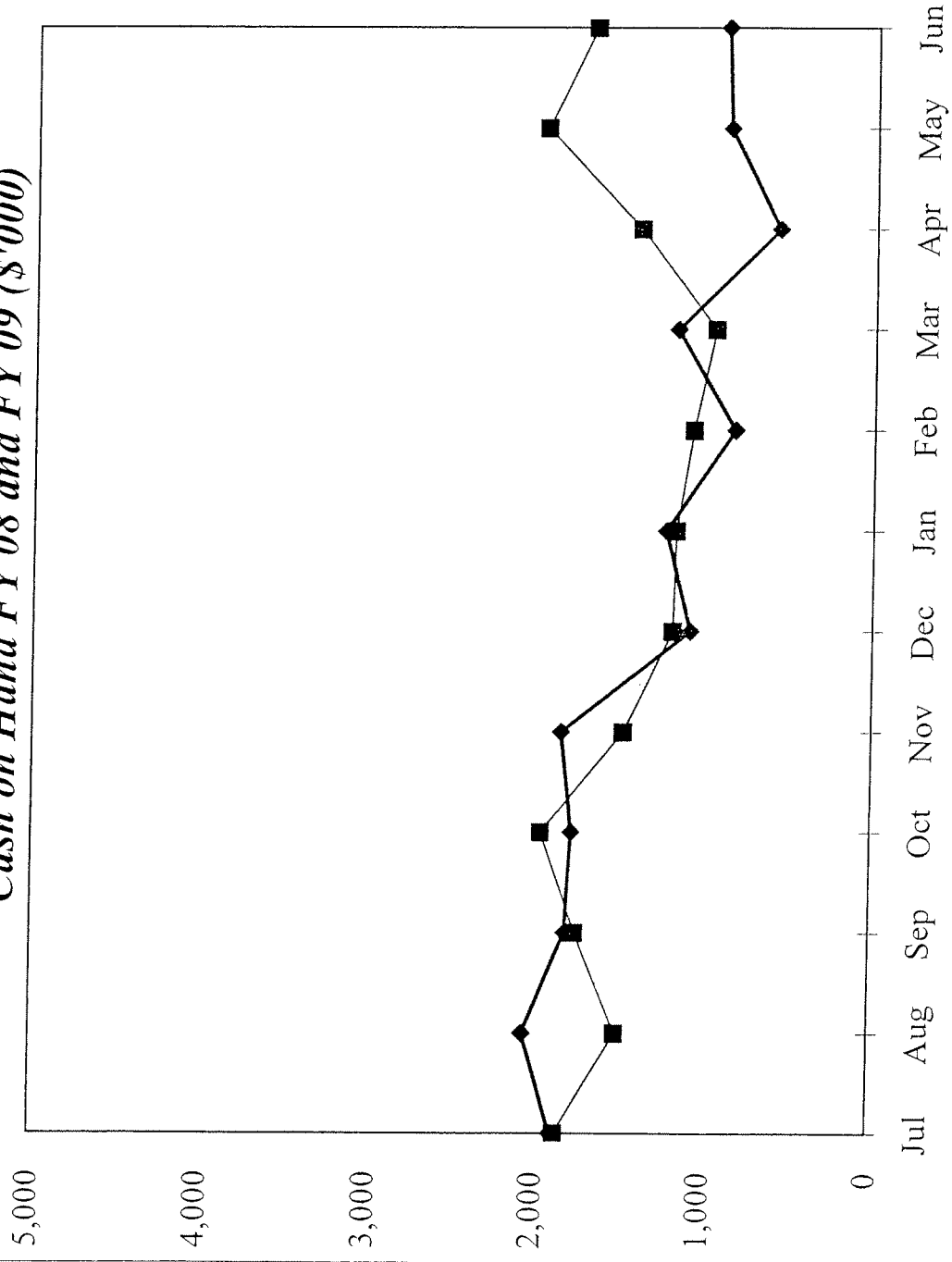
# ABAG FINANCIAL REPORTS

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# ABAG Financial Indices

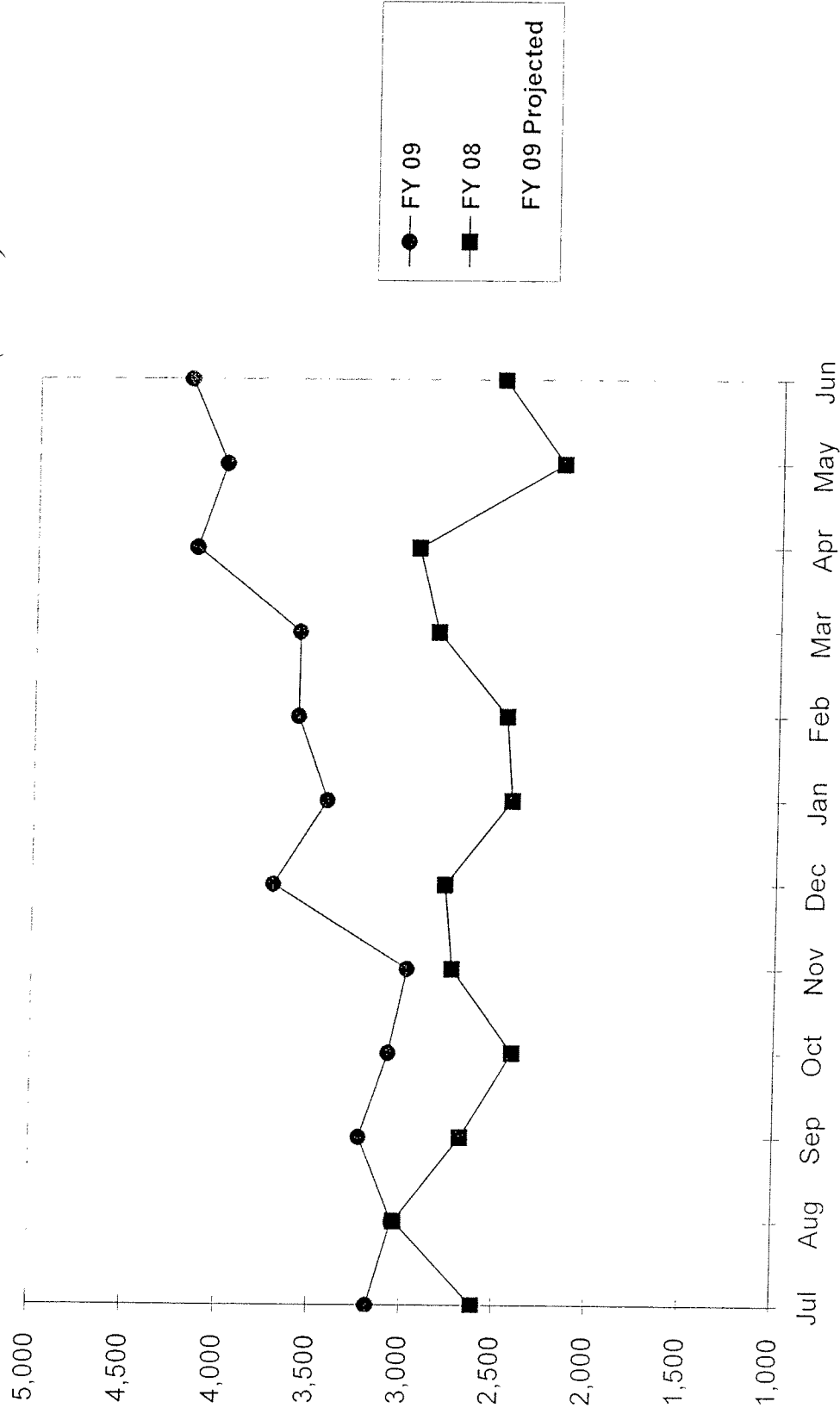
## Cash on Hand FY 08 and FY 09 (\$'000)





# ABAG Financial Indices

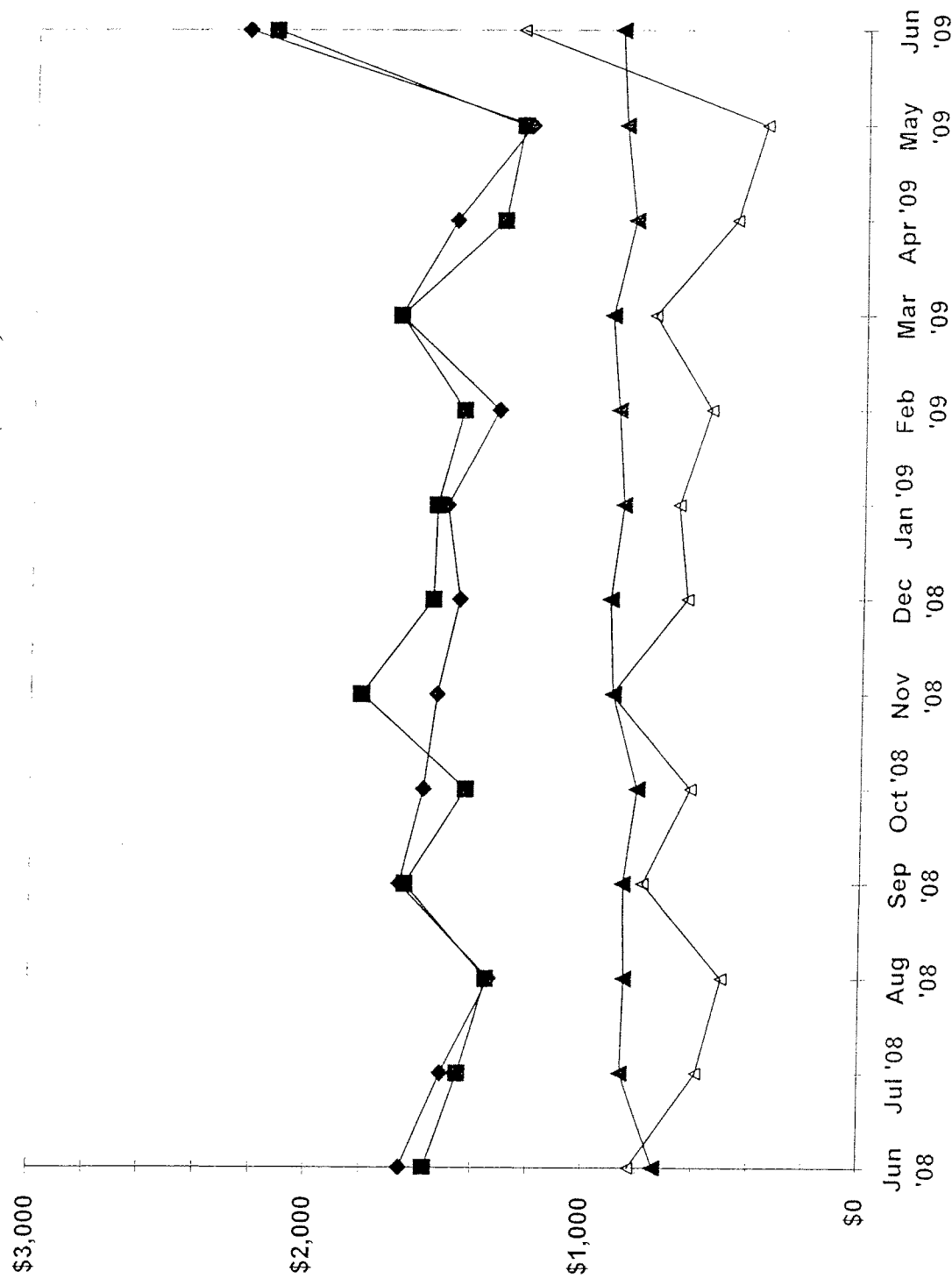
## Accounts Receivable FY 08 and FY09 (\$'000)



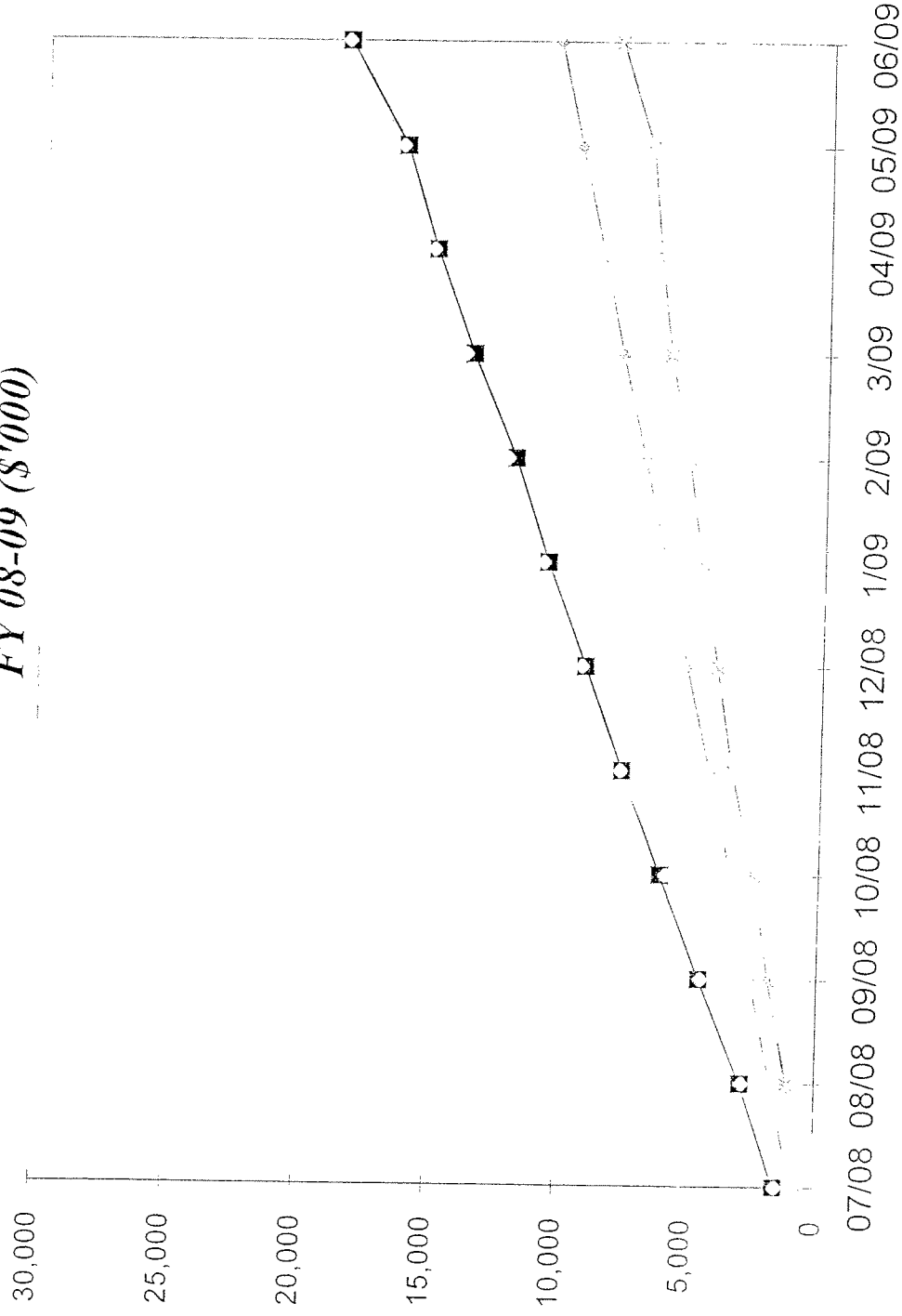
# ABAG Financial Indices

## Current Month Revenues & Expenses

### FY 08-09 (\$'000)



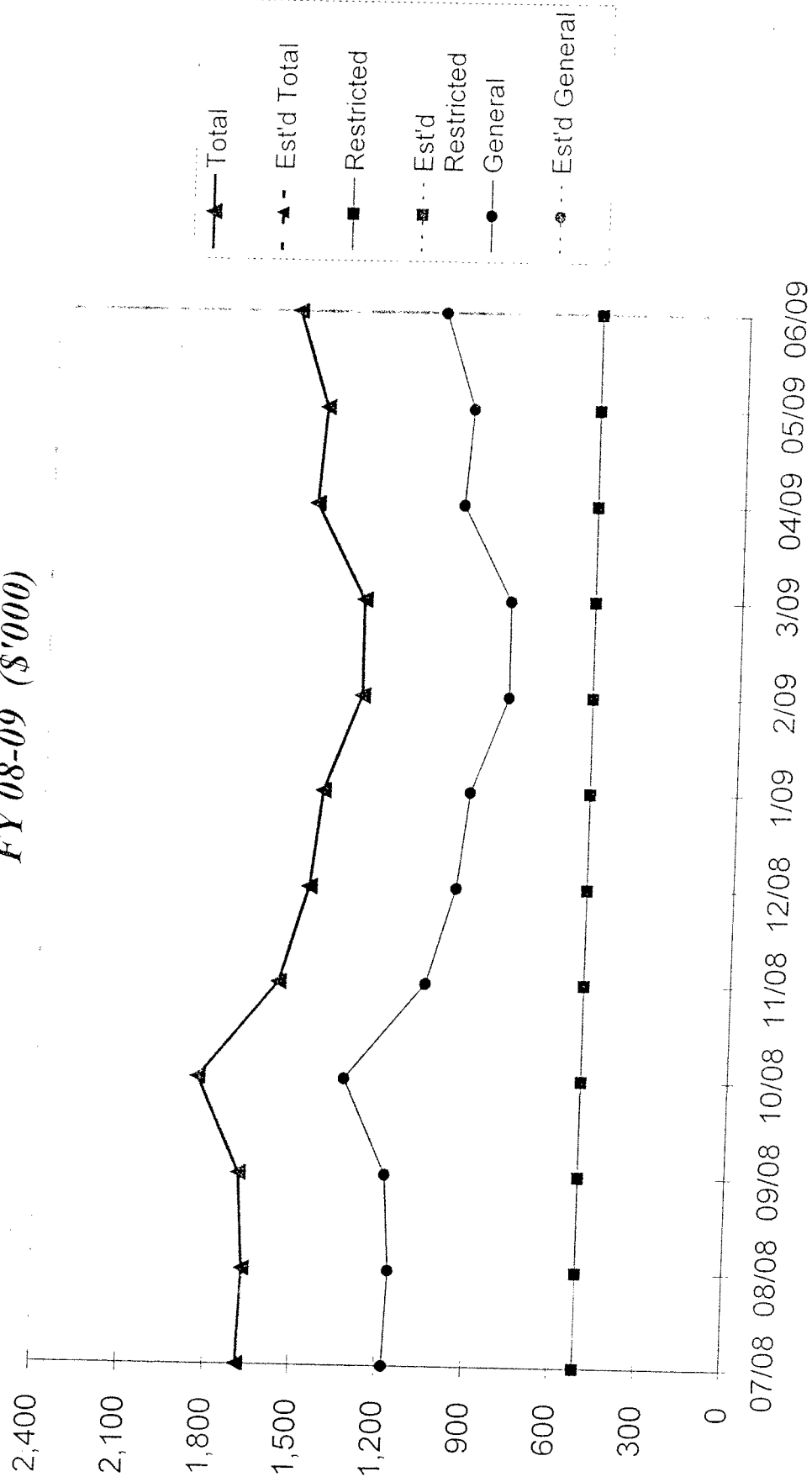
# **ABAG Financial Indices** *Year-to-date Revenues & Expenses* FY 08-09 (\$'000)



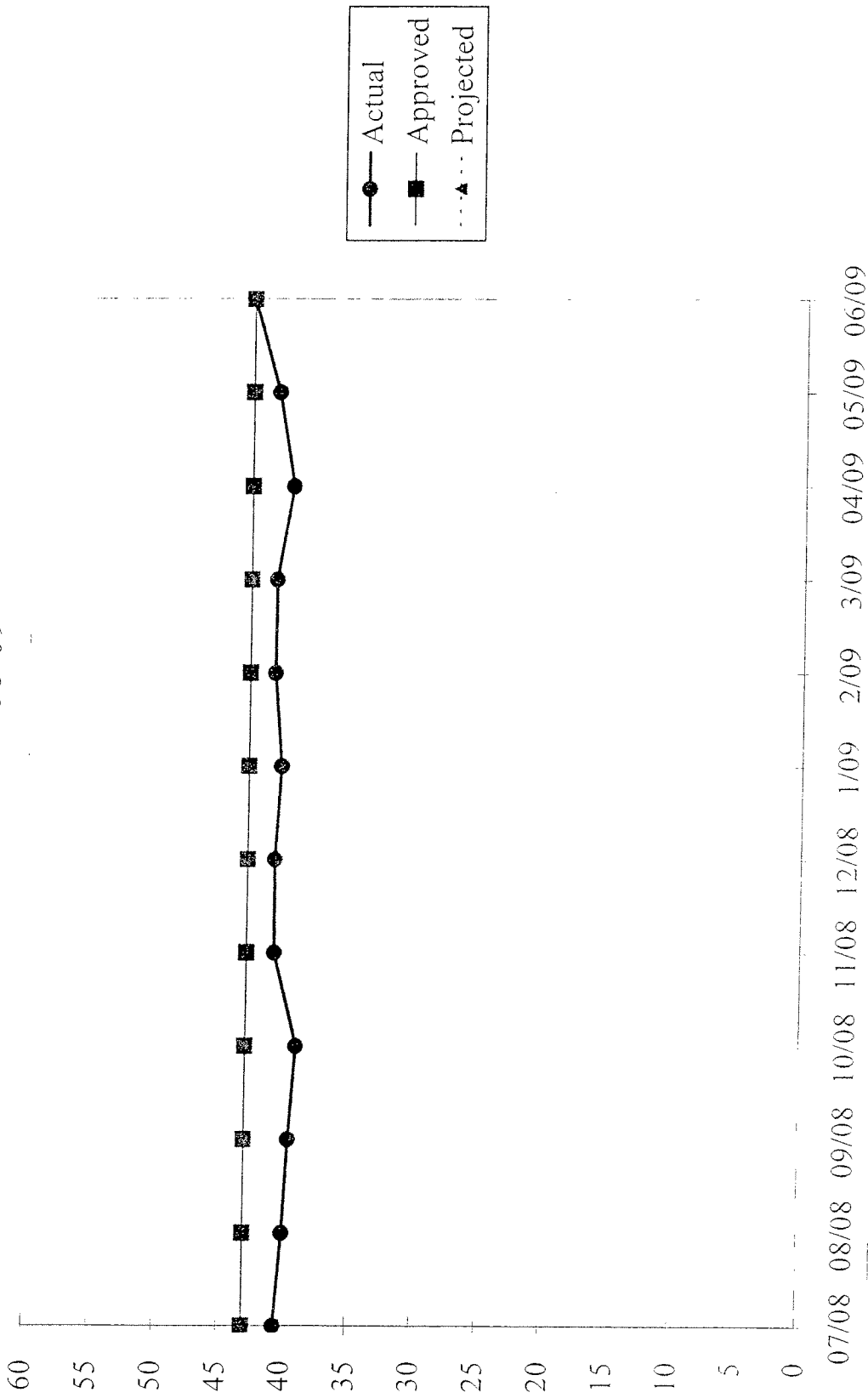
# ABAG Financial Indices

*Fund Equity*

*FY 08-09 (\$'000)*



# ABAG Financial Indices Indirect Cost Rate (% of Direct Labor Cost) FY 08-09

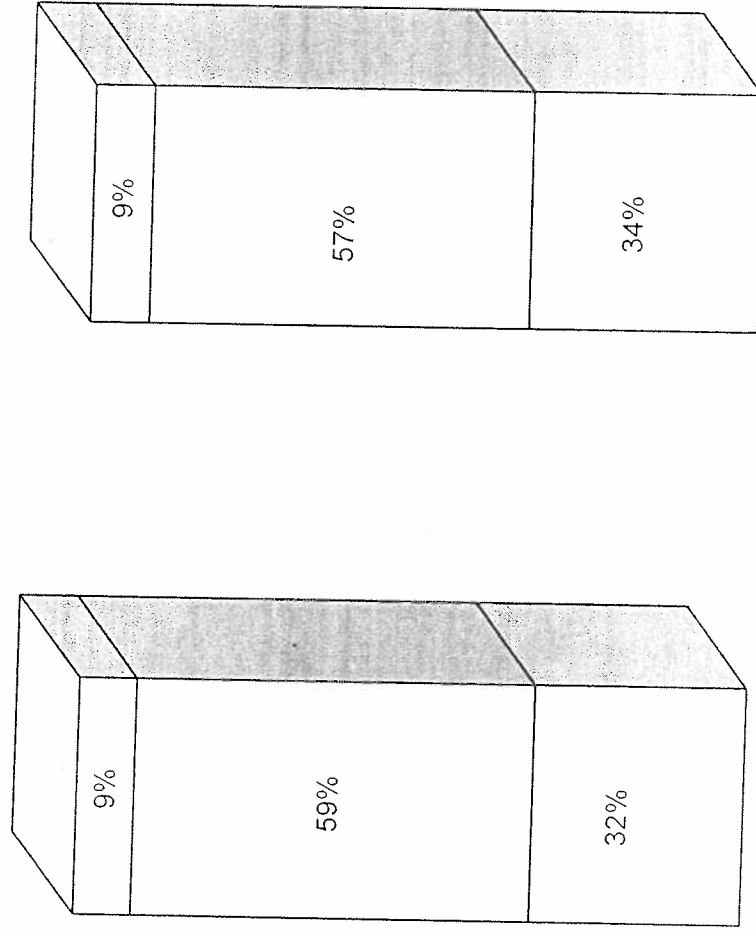


# ABAG Financial Indices

## Composition of Revenues FY 08-- FY 09

### Year to Date

(\$'000)

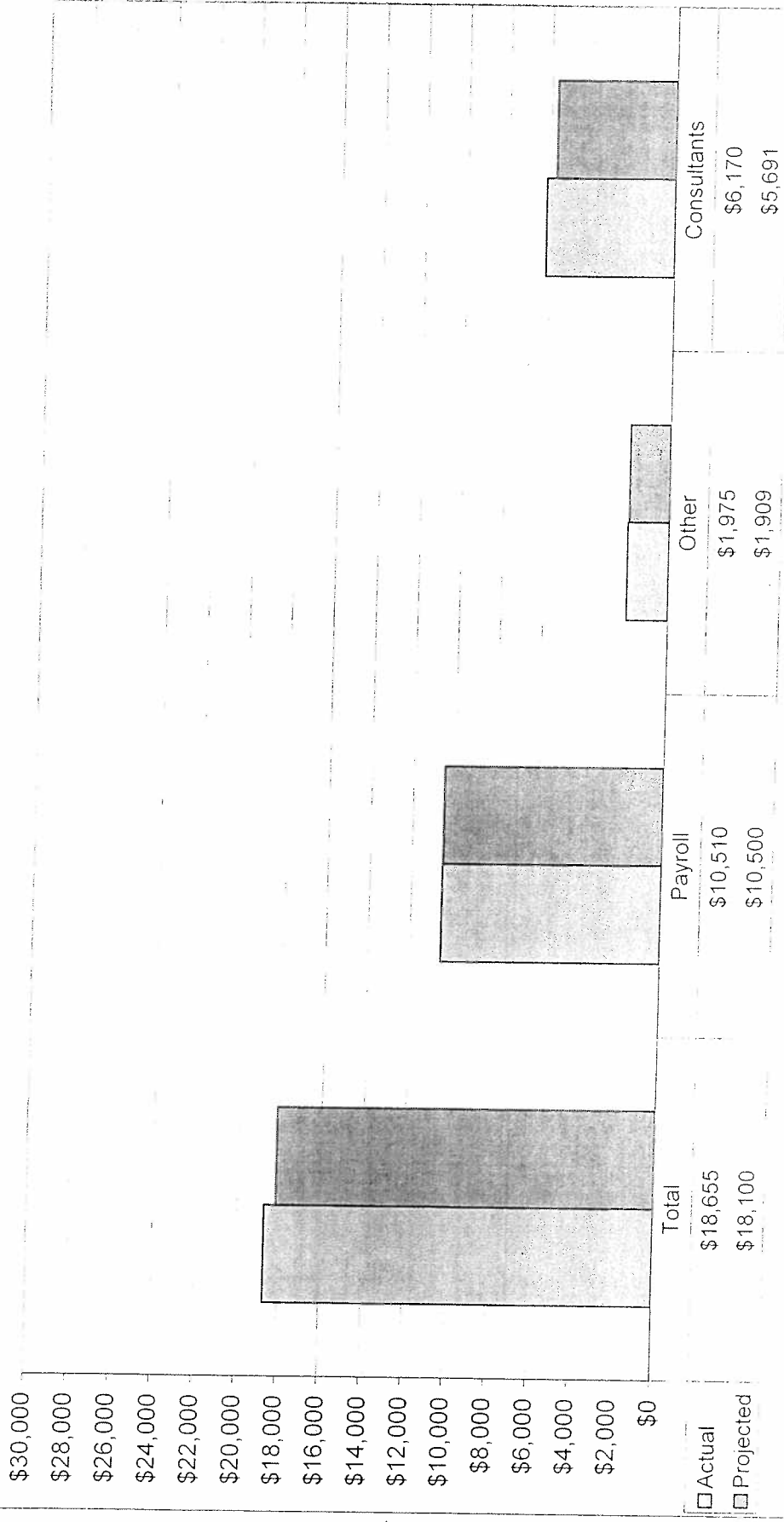


	FY 08-09 Revenue (Total \$18,591)	FY 07-08 Revenue (Total \$17,416)
Membership	\$1,602	\$1,528
Grants	\$11,107	\$9,942
Services & Others	\$5,882	\$5,946

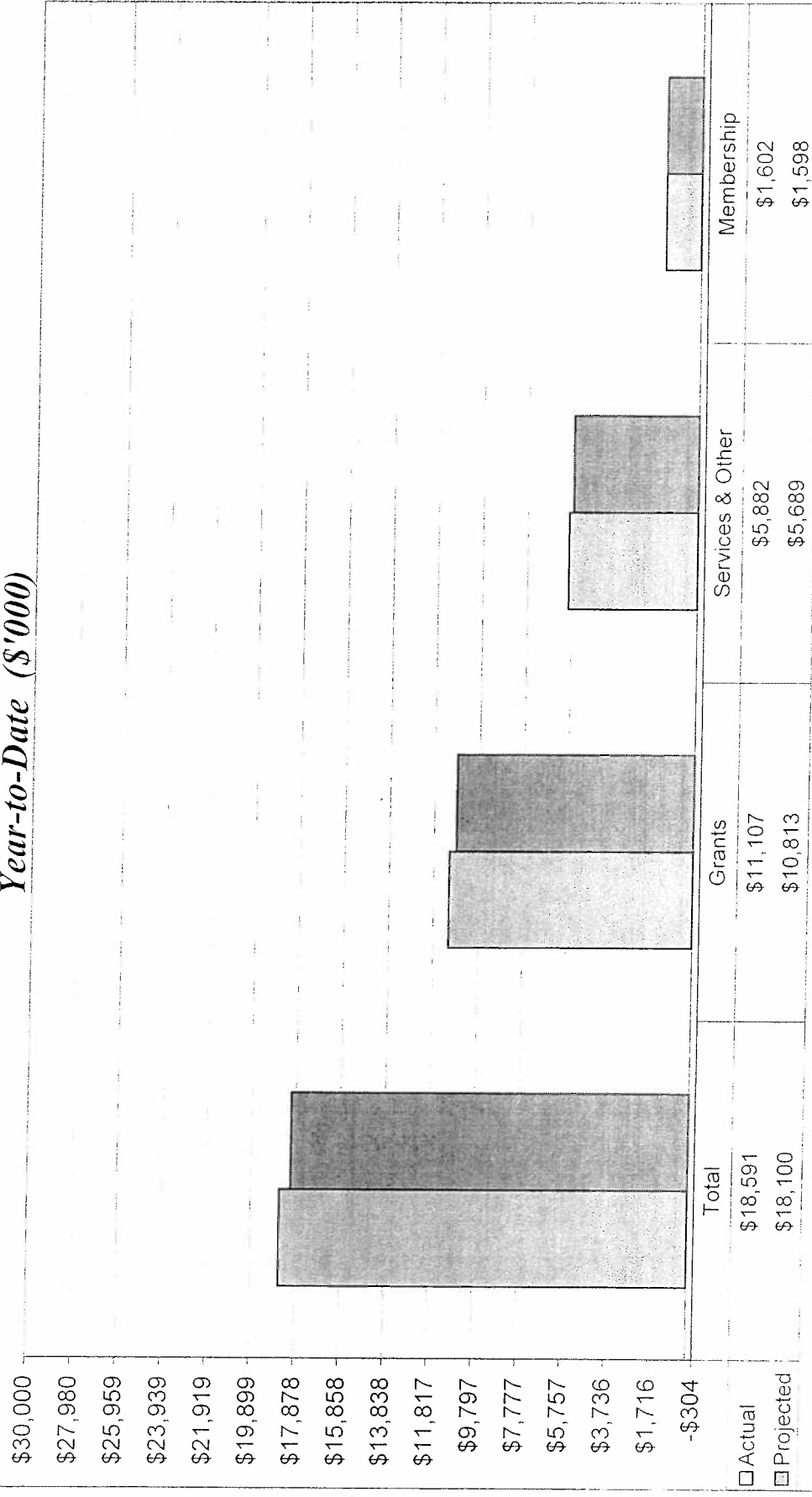
# ABAG Financial Indices

## Actual vs Projected Expenses--FY 08-09

### Year-to-Date (\$'000)

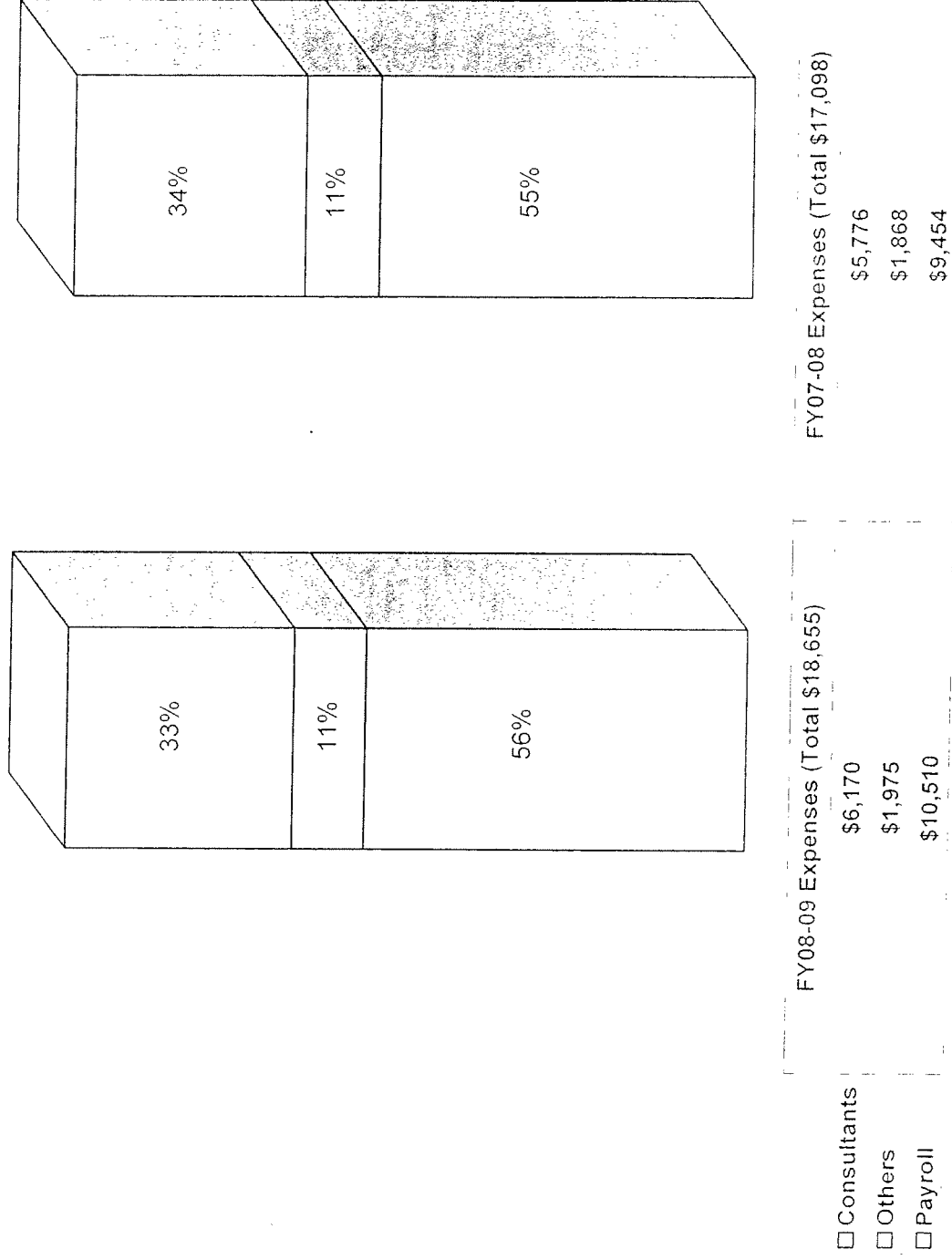


# **ABAG Financial Indices** *Actual vs Projected Revenues--FY 08-09* *Year-to-Date (\$'000)*





**ABAG Financial Indices**  
**Composition of Expenses FY 08 -- FY 09**  
**Year to Date**  
**(\$'000)**



## Description of Charts

### Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

### Figure 2 -- Accounts Receivable

Accounts receivable tracked by this chart include receivables generated by grants and service programs over two fiscal years. This chart reflects the reasonableness of our receivable levels. We usually have about six weeks' worth of our annual revenues in receivables.

### Figure 3 -- Current Month Revenues and Expenses

Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the agency.

### Figure 4 -- Year-to-date Revenues and Expenses

Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or Deficit) for the agency.

### Figure 5 -- Fund Equity

Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building bond interest, building maintenance, self-insurance and capital. These restricted equities represent the agency's equities set aside for specific purposes as approved by the Finance and Personnel Committee. Total equity is the sum total of general and restricted equities.

### Figure 6 -- Indirect Cost Rate (% of Direct Labor Cost)

This chart shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB A-87.

#### Figure 7 -- Composition of Expenses

This chart compares expenses for current and last fiscal years. It groups expenses into two broad categories -- payroll costs and other expenses.

#### Figure 8 -- Composition of Revenues

Presents a break down of total revenues into four main sources -- membership, grants, services and others. This chart compares revenue sources between current and last fiscal years.

#### Figure 9 -- Actual vs. Budgeted Expenses

Presents a comparison of actual and budgeted total expenses as well as component categories: payroll costs, consultants and other expenses.

#### Figure 10 -- Actual vs. Budgeted Revenues)

Presents a comparison of actual and budgeted total revenues as well as component categories: membership dues, grants, services and other.

TO: Finance and Personnel Committee

DT: August 31, 2009

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--July 2009

The following are highlights of the financial reports for July 2009.

Cash on Hand (Figure 1)

Cash on hand increased to \$1.53 million on July 31 from \$896 thousand on June 30. The July balance includes approximately \$573 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The July 31 cash balance is approximately \$254 thousand less than the prior year. This year-to-year balance is exacerbated when noting the current cash balance includes about \$615 thousand designated to cover the Annual Required Contribution (ARC) to amortize the Agency's unfunded liability for Other Post Employment Benefits (retiree health care) over the next 29 years. Thus, the "uncommitted" cash balance is actually down almost \$869 thousand from last year after accounting for the new OPEB liability. The downturn is attributed primarily to the higher receivables noted below.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.46 million on July 31, a decrease of \$733 thousand from the month prior. Compared to July 31 the year prior, the total reflects an increase of approximately \$280 thousand. While substantially improved from the prior month, the total receivables are still over \$850 thousand higher than two years prior, before the budget crises commenced. It is anticipated that the continued reduction in State staffing and furloughs may slow reimbursements in the succeeding months.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses on July 31 amounted to about \$1.23 million, or 4.3%, of approved expenses of \$28.9 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

At July 31, total revenues amounted to about \$1.21 million, or 4.2%, of approved revenue of \$28.9 million for FY 09-10.

As of July 31, both revenues and expenses are below "approved" projections. While revenues and expenditures might be expected to be 8.17% after the first month of the new fiscal year, they are less than "approved" projections, largely due to the timing of consultant and sub-contractor expenses that are grant funded and span multiple years. Additionally, year-end accruals against the final month of the prior fiscal year (June) often creates a lag in the first month of the new fiscal year where billings for July (especially contracts) are often reflected in subsequent months.

Fund Equity (Figure 5)

As of July 31, general fund equity was approximately \$1.03 million, a decrease of \$20 thousand from June 30. The agency's restricted fund equity, consisting of building bond interest, capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

#### Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 51.8% of direct labor cost as of July 31, or about 8.86% above the budgeted rate of 42.95% for FY 09-10. Most of the excess charges are due to revised allocations of employees' time between Agency Administration/Communications and General Overhead. These issues have been identified and we expect a return to normal over the next several months.

#### Overall (Figures 3, 4, 7 & 8)

At July 31, the agency's net financial position is reasonably close to forecast with a modest deficit of roughly \$20 thousand, or 1.65% of July revenues. Both "cash on hand" and "receivables" have improved over the prior month. Several projects formerly frozen are being restarted with the infusion of federal ARRA funding. While there is further progress to be made to return to historical averages, the Agency looks forward to making its contributions for retiree medical benefits deferred from the prior fiscal year within the next couple of months.

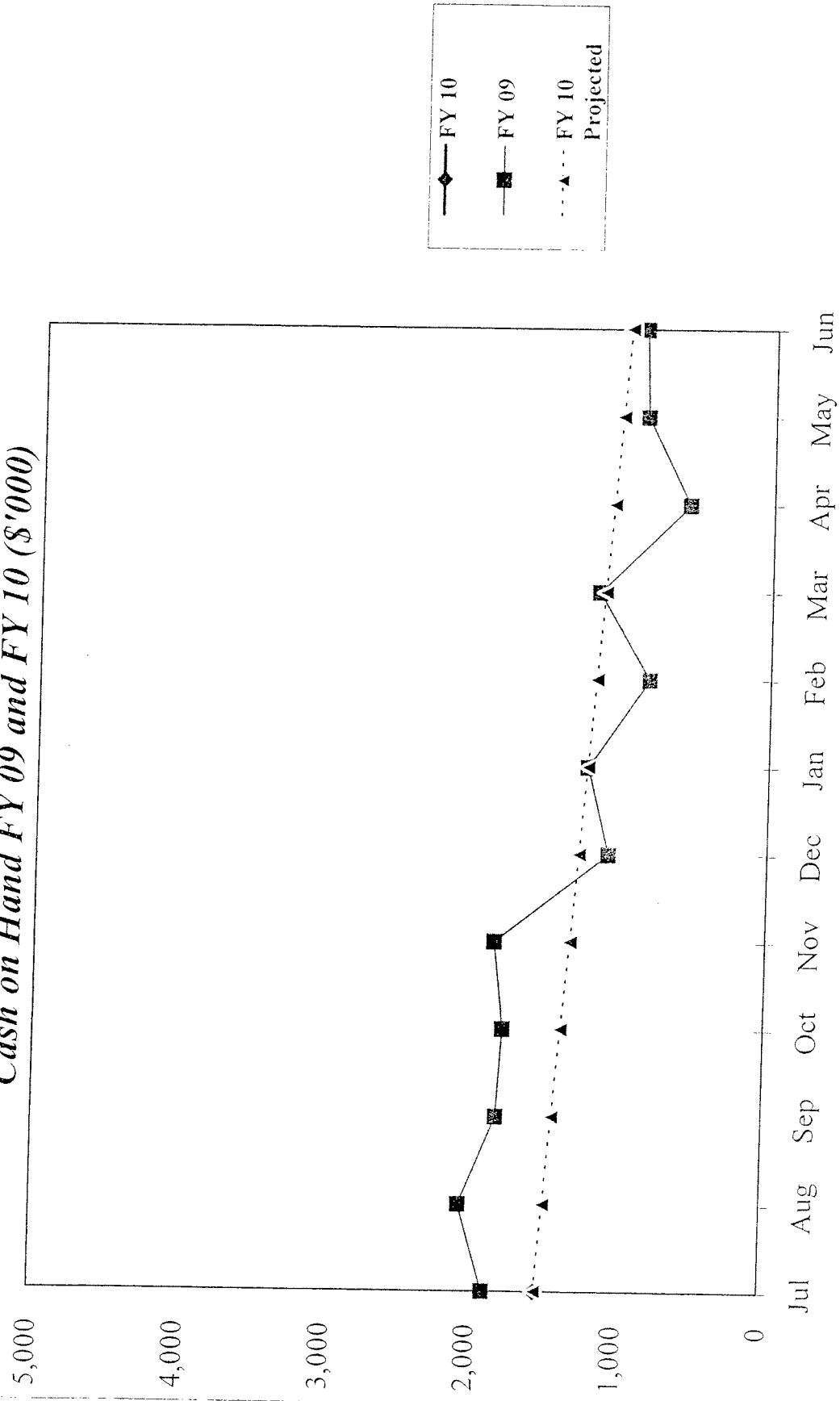
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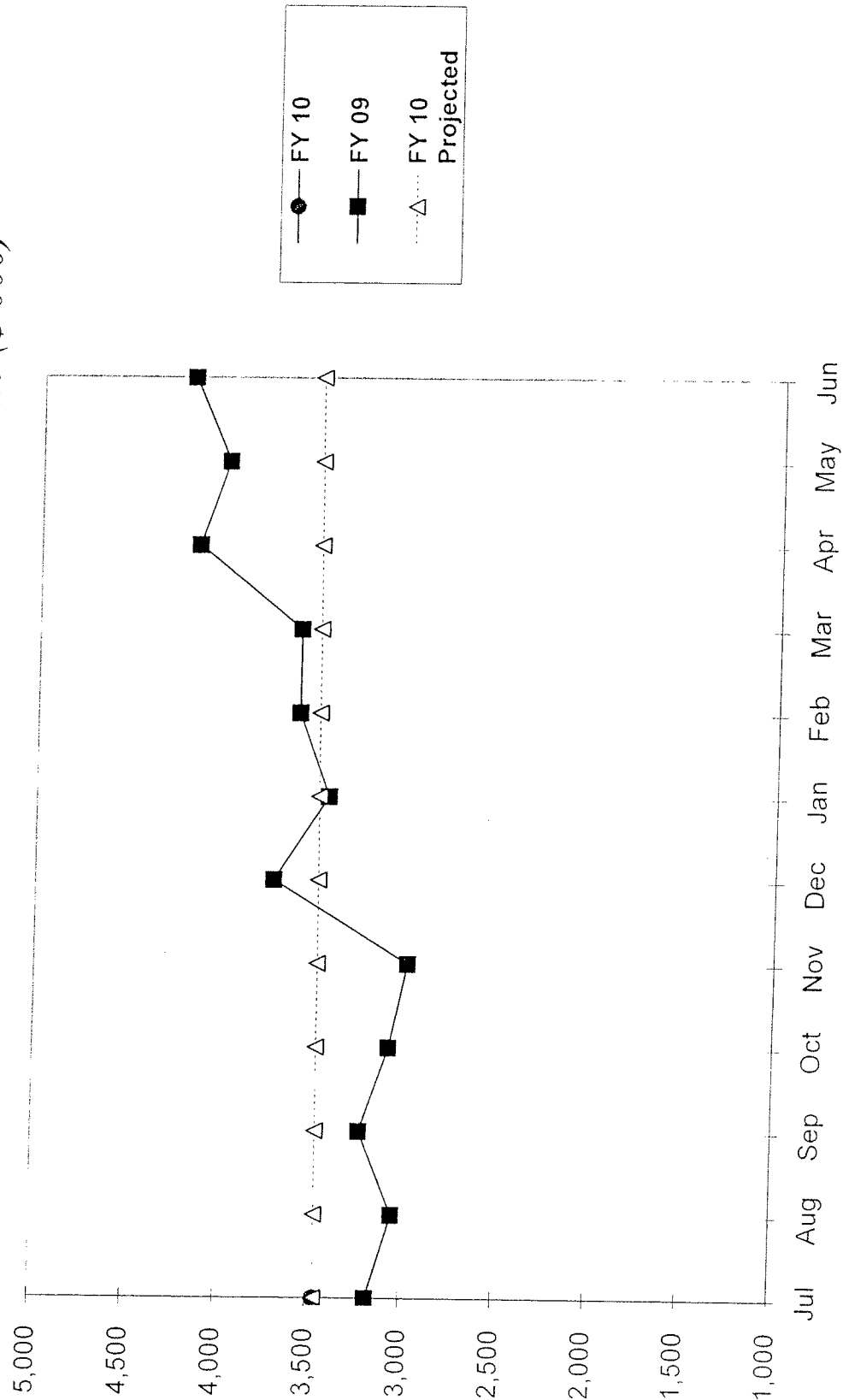
# ABAG Financial Indices

## Cash on Hand FY 09 and FY 10 (\$'000)



# ABAG Financial Indices

## Accounts Receivable FY 09 and FY 10 (\$'000)

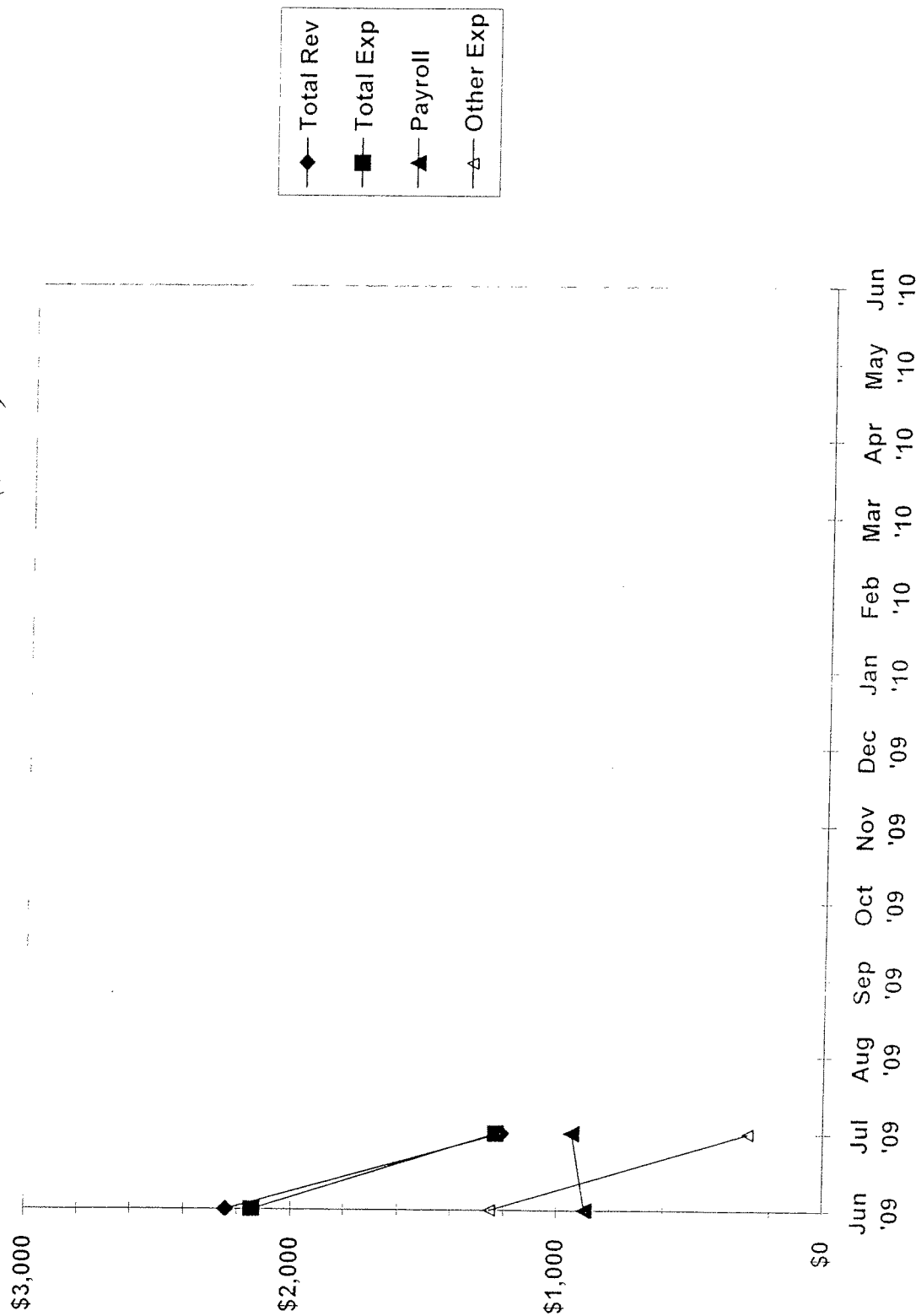




# ABAG Financial Indices

## Current Month Revenues & Expenses

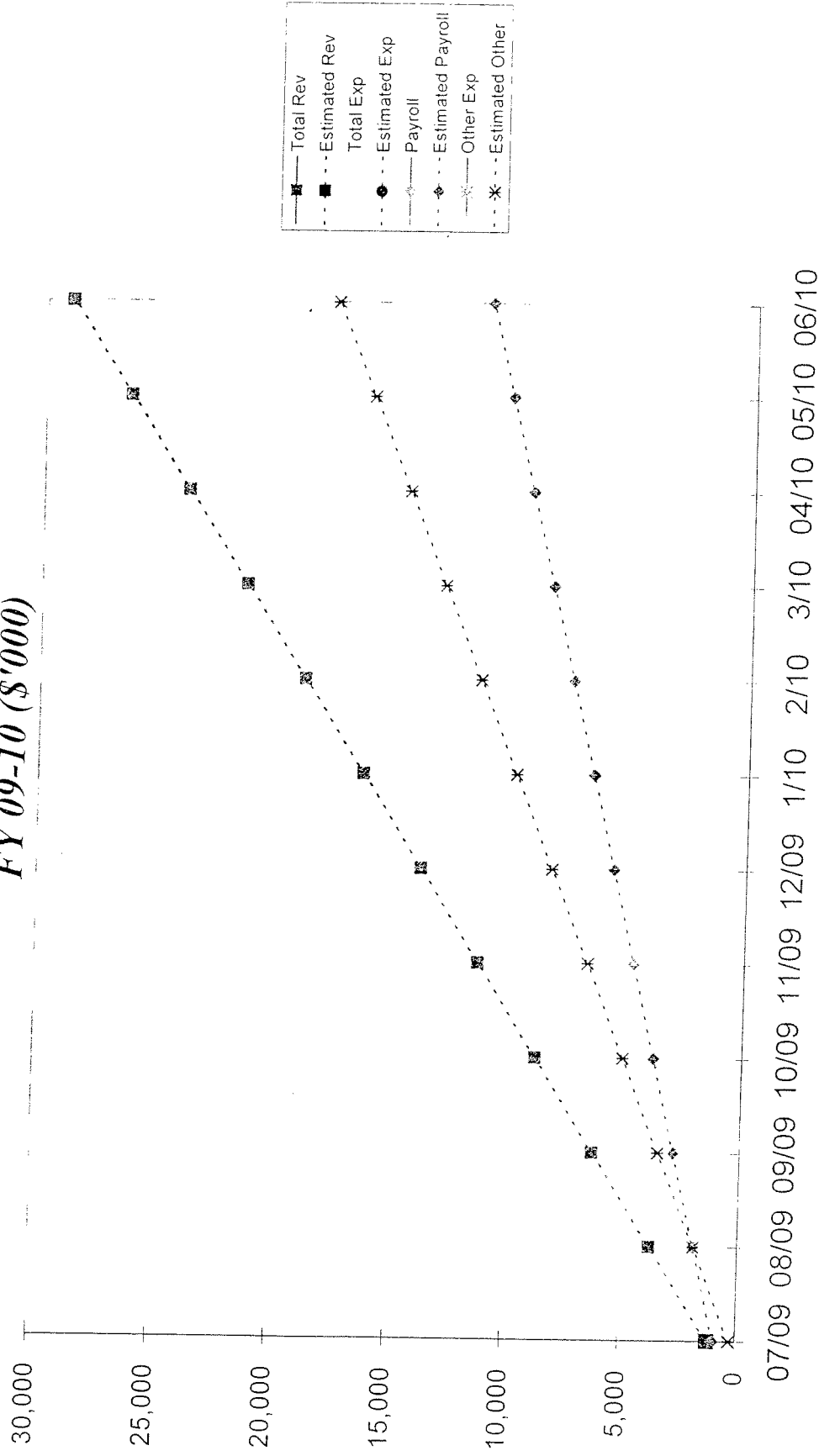
### FY 09-10 (\$'000)



# ABAG Financial Indices

## Year-to-date Revenues & Expenses

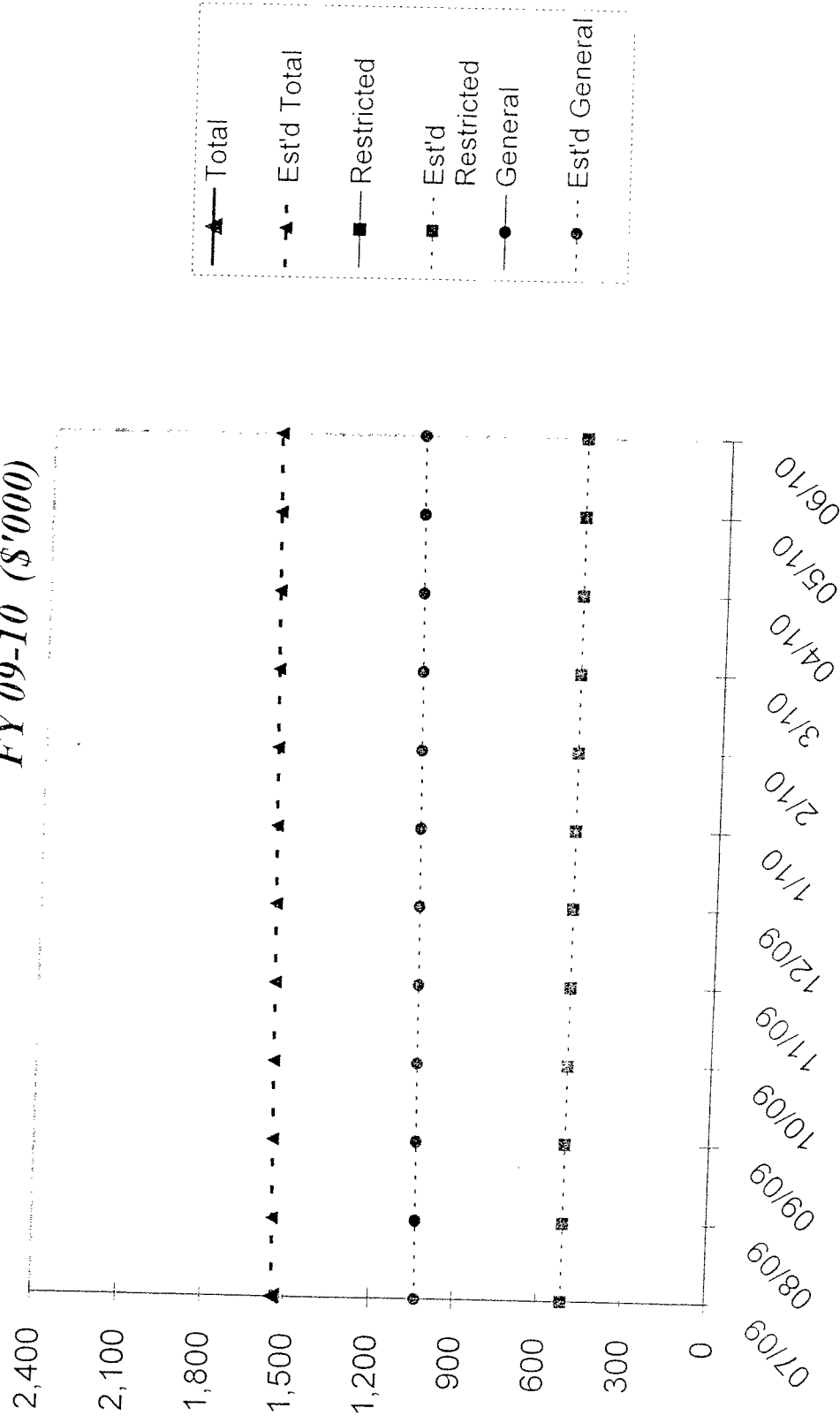
### FY 09-10 (\$'000)



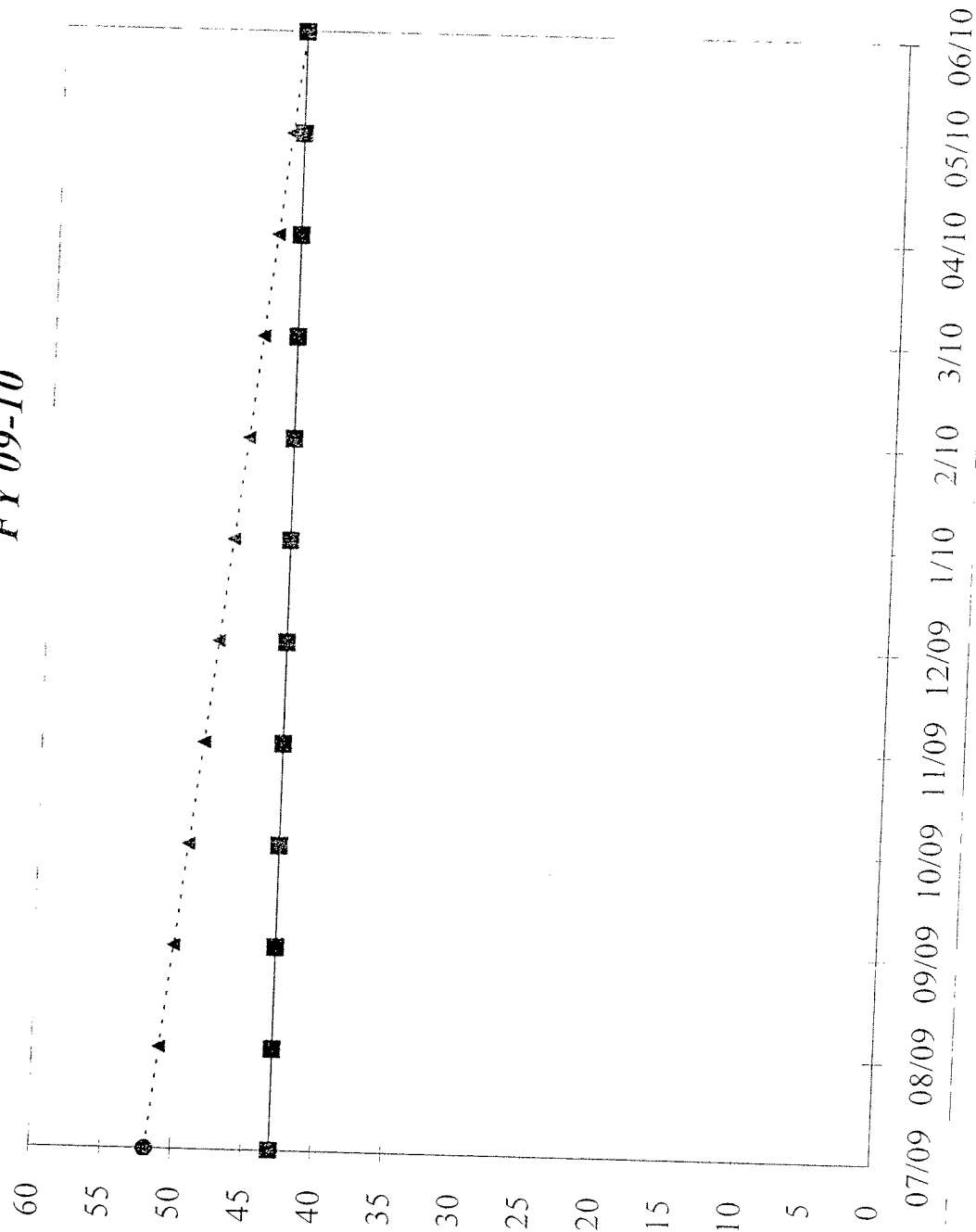
# ABAG Financial Indices

*Fund Equity*

*FY 09-10 (\$'000)*



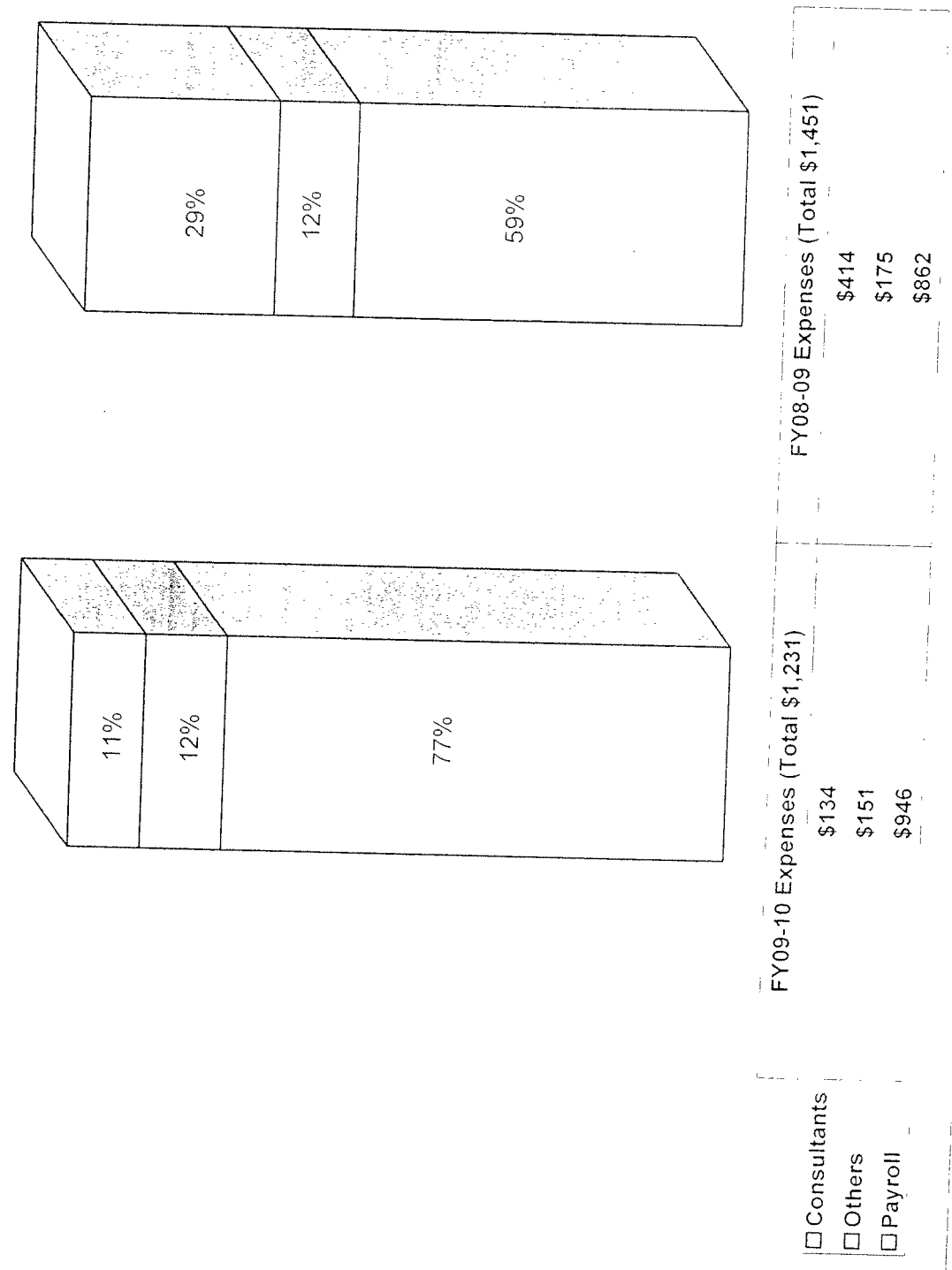
# **ABAG Financial Indices** *Indirect Cost Rate (% of Direct Labor Cost)* **FY 09-10**



Source: ABAG- INDICES 2009-07.xls

FIGURE 6

**ABAG Financial Indices**  
**Composition of Expenses FY 09--FY 10**  
**Year to Date**  
**(\$'000)**

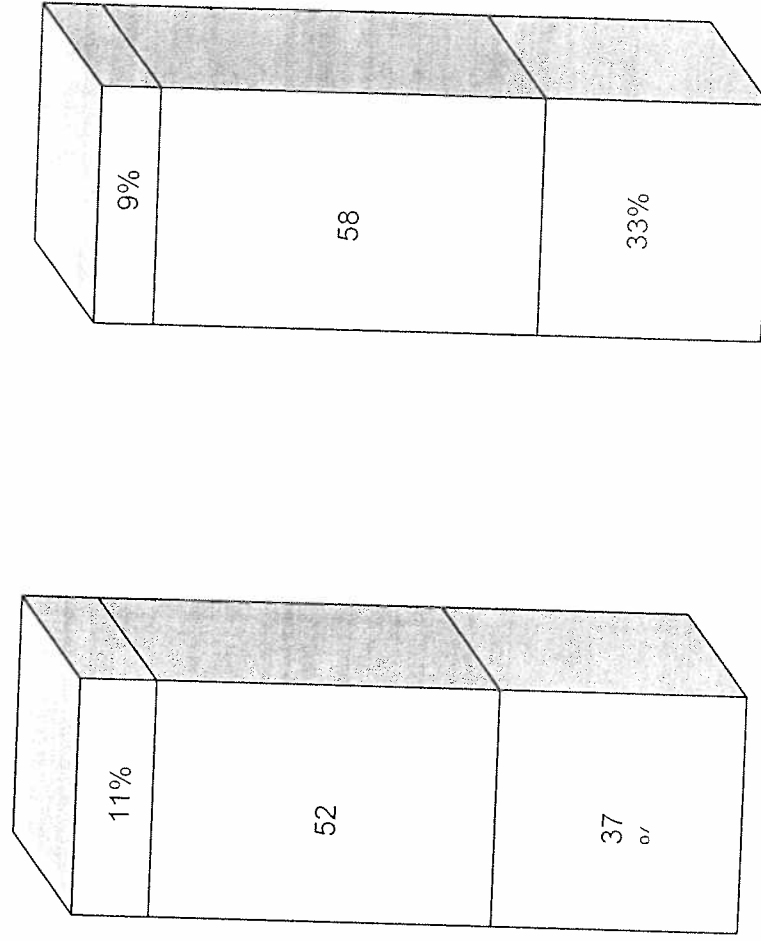


# ABAG Financial Indices

## Composition of Revenues FY 08--FY 09

### Year to Date

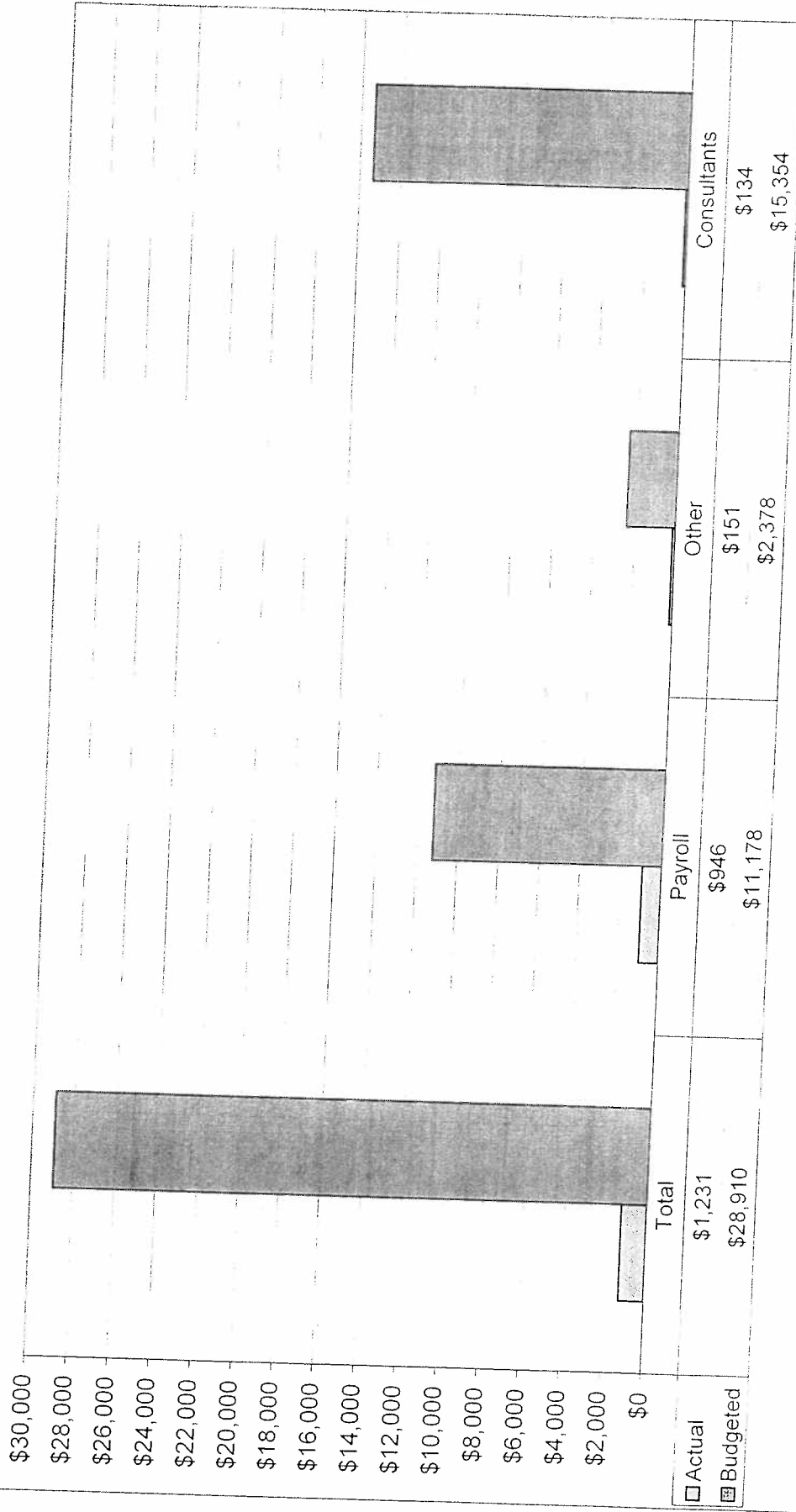
(\$'000)



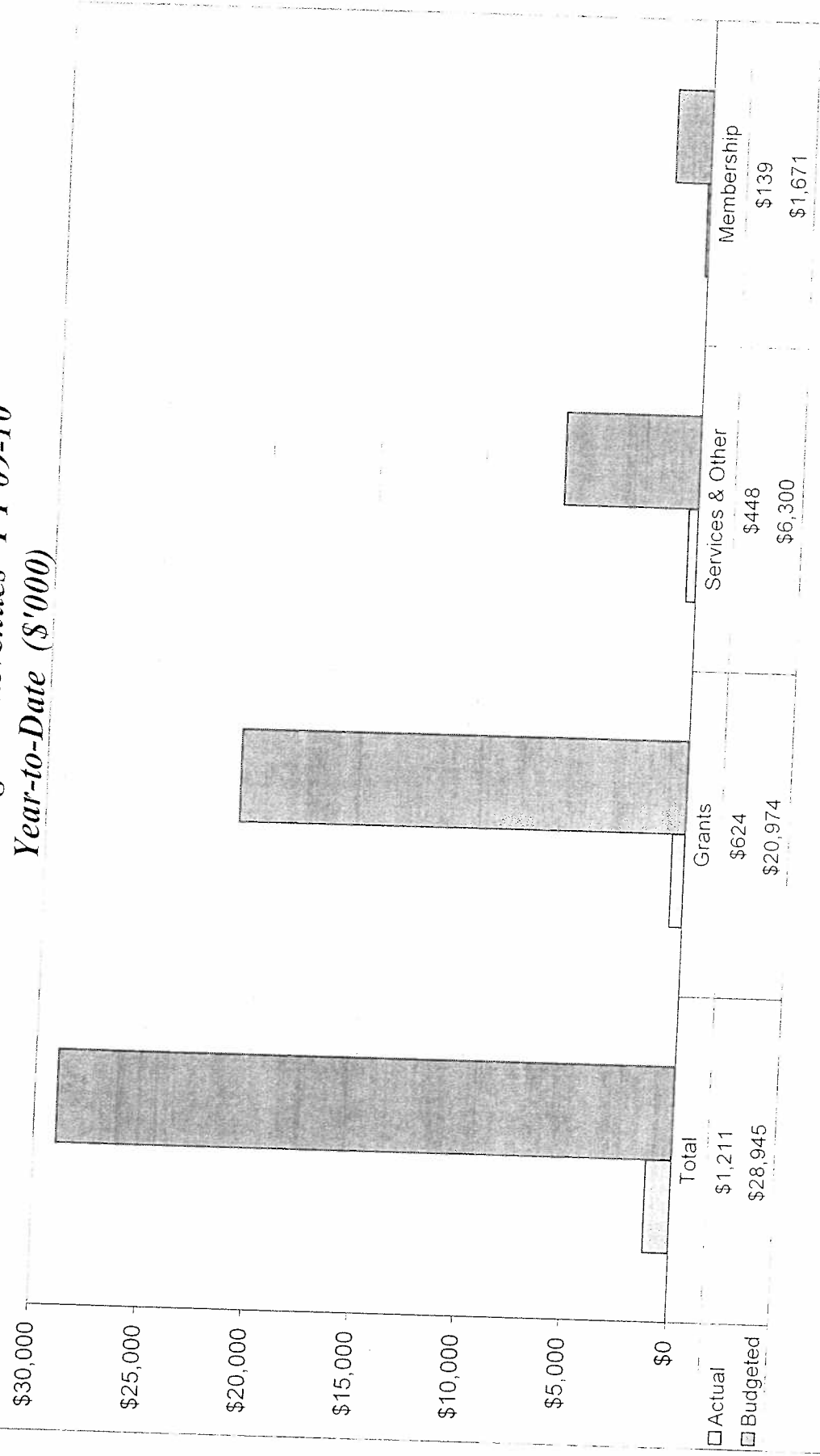
Source: ABAG --- INDICES 2009-07.xls

# ABAG Financial Indices

Actual vs Budgeted Expenses--FY 09-10  
Year-to-Date (\$'000)



# **ABAG Financial Indices** *Actual vs Budgeted Revenues--FY 09-10* *Year-to-Date (\$'000)*



Source: ABAG --INDICES 2009-07.xls

Figure 10



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Date: August 17, 2009

To: Henry L. Gardner, Executive Director

From: Patricia M. Jones, Assistant Executive Director  
Herbert L. Pike, Finance Director

Subject: **Report on Diversity and Business Opportunities - FY 2008/09**

This status report summarizes ABAG's business opportunities, recruitment, promotion and training activities during FY 2008-2009 (ending June 30, 2009) and recommends programs that will continue our record toward improving the Agency's diversity.

### **Executive Summary**

In a small agency such as ABAG (80 employees) there are limited opportunities for employment and promotion. However, during this past fiscal year, ABAG was able to add thirteen females and four males to our professional staff. We promoted one Hispanic female, one Asian female, four White females, one Asian male, and two White males all within the professional level.

ABAG's Diversity Program has three goals:

- To achieve in major job classifications (Management, Professional, Support) the same proportion of under-represented group members as exists in the nine-county San Francisco Bay Area labor force;
- To provide opportunities for all under-represented group members employed by ABAG to participate in training and education programs that will improve their personal advancement and contributions to the work of the Agency; and
- To ensure that the promotion of under-represented group members employed by ABAG be consistent with relevant skills, experience and background of the employees, performance requirements of higher job classifications and the needs for particular skills and positions in the Agency's work program.

This policy is consistent with the requirements and objectives set forth in Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e); the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621 et seq); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 793); the Americans With Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 et seq); and California Government Code Sections 12940 et seq.

The following table shows the racial make-up of the total population and the labor force in the nine Bay Area counties. This reflects 2000 census information.

<b>BAY AREA NINE COUNTIES</b>	<b>TOTAL POPULATION</b>	<b>18 &amp; Older (Labor Force)</b>
<b>RACIAL MAKE-UP</b>	<b>6,783,760</b>	<b>5,181,902</b>
Amer. Indian, Eskimo & Aleut	0.6%	0.6%
Asian & Pacific Islander	19.5%	19.8%
Black	7.5%	7.1%
Hispanic*	19.4%	16.9%
Others	9.2%	8.1%
White	58.1%	60.6%
Two or More Races	4.9%	3.8%

The racial make-up of the three counties (Alameda, Contra Costa and San Francisco) from which ABAG staff is primarily drawn differs from the nine-county Bay Area as shown below.

<b>ALAMEDA, CONTRA COSTA AND SAN FRANCISCO COUNTIES</b>	<b>TOTAL POPULATION</b>	<b>18 &amp; OLDER (Labor Force)</b>
<b>RACIAL MAKE-UP</b>	<b>3,169,290</b>	<b>2,450,122</b>
Amer. Indian, Eskimo & Aleut	0.6%	0.6%
Asian & Pacific Islander	20.7%	20.9%
Black	11.5%	10.7%
Hispanic*	17.4%	15.2%
Others	8.1%	7.1%
White	54.0%	56.6%
Two or More Races	5.1%	4.0%

\*Persons of Hispanic origin may be of any race. Percents of White, Black, Asian and Pacific Islander, American Indian, Eskimo and Aleut, Others and Two or More Races may not total 100 percent due to rounding of decimals. Persons who identified themselves in the 2000 census as of Hispanic origin are also included in the racial categories.

### Current Composition of Staff

The table below shows the composition of the ABAG staff as of June 30, 2009. Of 80 employees, 50 are White (62.5 percent); 13 are Asian (16 percent); 10 are Black (12.5 percent); 5 are Hispanic (6 percent); and 2 are Other (3 percent). On June 30, 2008, ABAG had 73 employees; the composition was 65 percent White, 16.5 percent Asian, 12 percent Black, 5.5 percent Hispanic and 1 percent Other. Because of the relatively small size of the staff, the addition or loss of one or two employees appears significant in percentages.

Progress towards diversity shows some variations for different under-represented members when examined by classification. Hispanics are not currently represented in the management and support classifications. As opportunities become available additional effort will be made to recruit this group.

ETHNIC BREAKDOWN BY CLASSIFICATION							
Race	Management		Professional		Support		Total
Amer. Indian	--		--		--		--
Asian	1	9%	10	17%	2	20%	13 16%
Black	1	9%	4	7%	5	50%	10 12.5%
Hispanic	--		5	8%	--		5 6%
Others	1	9%	1	2%	--		2 3%
White	8	73%	39	66%	3	30%	50 62.5%
Total	11	100%	59	100%	10	100%	80 100%

An examination of the composition of staff by classification and sex in the following table shows a need for more females in management and more males in professional and support classifications.

STAFF COMPOSITION BY CLASSIFICATION & GENDER			
Management (11)	Professional (59)	Support (10)	Total (80)
Male (9) 82%	Male (20) 34%	Male (3) 30%	Total (32) 40%
Female (2) 18%	Female (39) 66%	Female (7) 70%	Total (48) 60%

During FY 2008-2009, eleven staff members left the Agency. Two resigned, seven retired, and two were terminated. Nine of the eleven members were women or minorities.

	White*	Black	Asian	Hispanic	Male	Female
Management	1	--	1	--	2	--
Professional	6	--	1	--	2	5
Support	--	2	--	--	--	2
Totals	7	2	2	--	4	7

\*White includes American Indian and Other

### **Recruitment**

During FY 2008-2009, the Agency added seventeen staff members. Thirteen of whom were female.

	White*	Black	Asian	Hispanic	Male	Female
Management	2	--	--	--	2	--
Professional	8	1	2	1	2	10
Support	1	2	--	--	--	3
Totals	11	3	2	1	4	13

\*White includes American Indian and Other

Job openings were advertised in the Sunday issue of the San Francisco Chronicle, Oakland Tribune/Alameda Newspaper Group, Contra Costa Times, San Jose Mercury News, Western City Magazine, and other specialized publications. Agency job openings were posted on the Internet and the application was available online.

Interview Panels have, whenever possible, included under-represented group members as well as both genders. This policy will continue. The Human Resources Manager and hiring manager select applicants for interview without knowledge of their ethnic status. If, however, this process does not produce representatives of under-represented groups, they are asked to re-examine the credentials of under-represented candidates. Whenever possible, qualified under-represented applicants are invited to interview.

The following table presents the salary breakdown for classified staff by race and sex as of June 30, 2009.

**ASSOCIATION OF BAY AREA GOVERNMENTS**  
**COMPOSITION OF CLASSIFIED STAFF BY SEX, RACE AND SALARY RANGE**  
(As of June 30, 2009)

SALARY RANGE	WHITE*		BLACK		ASIAN		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	
<b>MANAGEMENT</b>											
\$115,008-\$151,704	8	1	--	1	1	--	--	--	9	2	
SUBTOTAL	8	1	--	1	1	--	--	--	9	2	11
<b>PROFESSIONAL</b>											
\$94,740-\$114,816	1	3	--	--	--	1	--	2	1	6	
\$74,880-\$99,348	1	5	1	--	1	--	--	1	3	6	
\$68,148-\$82,212	8	9	--	1	4	--	--	1	12	11	
\$56,712-\$68,148	3	6	--	1	--	2	1	--	4	9	
\$49,416-\$59,304	--	4	--	1	--	2	--	--	--	7	
SUBTOTAL	13	27	1	3	5	5	1	4	20	39	59
<b>SUPPORT</b>											
\$44,748-\$54,036	--	2	--	1	--	--	--	--	--	3	
\$38,880-\$47,124	--	--	--	4	2	--	--	--	2	4	
\$35,232-\$42,828	--	--	--	--	--	--	--	--	--	--	
\$30,300-\$37,008	1	--	--	--	--	--	--	--	1	--	
SUBTOTAL	1	2	--	5	2	--	--	--	3	7	10
	WHITE*		BLACK		ASIAN		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	
<b>TOTAL</b>	22	30	1	9	8	5	1	4	32	48	80

\*White includes American Indian and Other

### **Internship Program**

In addition to our traditional summer intern program, the Tranter-Leong Graduate Student Intern Program allows students to receive experience in their field of study and provides valuable practical experience for those planning a career in public administration. The Internship Program consistently attracts a high caliber of applicants. The Agency received a total of 129 applications and hired 8 interns who were continuing or had just completed their education. Of the 8 interns, 4 were White (50 percent), 1 was Asian (12.5 percent), 1 was Black (12.5 percent), 1 was Hispanic (12.5 percent), and 1 was Other (12.5 percent).

### **Training**

It is the Agency's policy to encourage staff to participate in training to enhance their performance and develop skills for future growth. Forty-three employees participated in 86 classes with the assistance of our training and development program. The Agency's expenditure was \$33,727.19 which compares to \$29,797 invested in FY 07/08 and \$25,176 invested in FY 06/07. The participants were from every classification and represented all races and genders. Although not represented in these numbers, the Agency encourages and supports managers and professionals to participate in workshops and associations related to their field. The expenditures for these on-going professional development programs are included in individual program and project budgets.

All program managers will be encouraged to promote the professional growth of their staff. Since funds are limited, they should be allocated to assist those efforts that enhance the position-related qualifications of regular staff members. A special effort will be made to identify under-represented group members who need guidance and encouragement, as well as financial help, to further their careers. This is especially true for those interested in completing their college education.

### **Promotions**

There were eight promotions during this fiscal year. Five of those promoted were women. Six of the eight promotions were for women or for a member from an underrepresented group. All eight members were promoted within the professional level.



## **Business Opportunities - FY 08/09**

Our adopted diversity policy states in part that:

“ABAG will, in its contracts with third parties for technical, consulting or other professional and non-professional services, comply with Federal rules regarding third-party relationships. ABAG will solicit proposals: from consultants with the required expertise who have protected group representatives among their employees, and from protected group consultants with the required expertise.”

In this spirit during FY 2008-09, ABAG used – and in most cases continues to use – the MBE/WBE firms, organizations or companies presented on Tables I and II.

In the past year, the agency consulting/service contracts with MBE/WBE organizations totaled \$1.37 million representing an increase of 4.2 percent from FY 2007-08. Our MBE/WBE contracts as a percentage of total business decreased from 22.9 percent in FY 2007-08 to 22.1 percent in FY 2008-09.

## **Conclusion**

Progress toward achieving and maintaining a diverse workforce continues to be a challenge. As in previous years, we continue to seek Hispanic applicants to round out ABAG's diverse workforce. We will also continue to reach out and provide contracting opportunities to as many under-represented groups as possible, while maintaining our requirements of excellence.

TABLE 1: LIST OF FIRMS/CONTRACTS BY NAME

COMPANY	NATURE OF WORK	TYPE	FY2008/09 (\$'000)	FY2007/08 (\$'000)	Change FY2007/08 to FY2008/09
Accent Service Company Inc	Custodial Services	Asian	30	28	
Alonzo Printers	SFEP Printers	Hispanic	28	26	
Ankrum, Kathryn A	SFEP Consultant	Woman	0	10	
Bon Appetit Catering	Catering Services	African American	0	46	
Brockbank, Marcia	SFEP Consultant	Woman	5	4	
Calflora Database	SFEP Consultant	Woman	0	4	
Career Alliance	Temporary Personnel Agency	African American	206	174	
Chigbu, Paulinus	SFEP Consultant	African American	0	2	
Chops Steakhouse	Catering Services	Woman	4	0	
Coale, Kristi	SFEP Consultant	Woman	0	5	
Collins, Laurel	SFEP Consultant	Woman	0	3	
Digital Hive	Haz Waste/Green Business	Woman	3	0	
Drlik, Tanya	Consultant	Woman	1	0	
Easy Copy Center	Copying	Asian	1	0	
Ely, Eleanor	CALFED Consultant	Woman	0	8	
Fastsigns	SFEP Signs	Asian	1	0	
Finger Design Assoc	Graphic Designer	Woman	45	0	
Goodwin Consulting Group Inc	Consultant	Woman	26	26	
Goza Gear	Bay Trail Supplier - Promo Items	Hispanic	1	1	
Hall Enterprises Inc	PLAN Dept Legal Counsel	Woman	45	18	
Hood, Walter	General Assembly Speaker	African American	0	1	
Innes, Judith e	SFEP Consultant	Woman	3	7	
Jameson, Anand	SFEP Consultant	Asian	0	2	
Jeanne Perkins Consulting	Consultant	Woman	106	96	
JM Design	Printing	Woman	6	0	
JP Graphics Inc	SFEP Printer	Woman	12	5	
JT Litho	Printing	Asian	78	62	
Keating, Marisela	Consultant	African American	1	0	
Keynote Speakers, Inc		Woman	2	0	
Krieshok, Lisa	SFEP Consultant	Woman	0	1	
Lewis, Karen	Consultant	Woman	4	0	
Lisowski, Nina	Estuary Project Consultant	Woman	2	4	
LunchStop Café Metro	Food Service	Asian	22	14	
Marshall, Jill	SFEP Consultant	Woman	1	0	
Meyer, Judith L	SFEP Consultant	Woman	0	4	
Microgear, Inc.	Computer Supplies/Maintenance	Asian	0	28	
Mission Economic Dev		African American	30	0	
Morrison O'Hara	Engraving/Awards	Woman	0	1	
National Forum for Black Public Admin	Professional Organization	African American	1	0	
Oakland Marriott City Center	Conference/Workshop	Asian	13	0	
On A Roll	Catering Services	Asian	1	1	
Orenstien, Suzanne		Woman	8	0	
Pastor, Manuel	Genreal Assembly Speaker	Hispanic	0	2	
PDQ Print Copy	Printing	Asian	2	0	
Pestec	SFEP Consultant	Hispanic	0	2	
Policylink		African American	10	0	
Reed, Denise j	Consultant	Calfed woman	2	0	
Sight & Sound Corp		African American	20	0	
Software House Inter	Agency Computer Supply	Asian	0	5	
SSP Data Products	Consultant Agency Computer Supply	Asian	50	36	
Patton, Joan	Estuary Project Consultant	Woman	6	24	
Pristia, Elizabeth	Consultan/PLAN Corp.	Woman	1	3	
Real Facts	Info/Analysis Supplies	Woman	0	2	
Safety Compliance Management	Training	Woman	294	336	
Sloan, Roberta	SFEP Consultant	Woman	15	25	
Sullivan, Veronica	SFEP Consultant	Woman	0	2	
TDC Environmental LLC	SFEP Consultant	Woman	62	79	
Thornton, Carol	SFEP Consultant	Woman	18	36	
Wildwood Crafts		Woman	1	0	
Variable Path Inc	Computer Supplies/Maintenance	Asian	0	2	
V-Soft, Inc	Database Consultant	Asian	190	174	
Watercourse Engineer		African American	10	0	
TOTAL			1,366	1,311	4.2%

TABLE II: LIST OF FIRMS/CONTRACTS BY TYPE

COMPANY	NATURE OF WORK	TYPE	FY2008/09 (\$'000)	FY2007/08 (\$'000)	CHANGE FY2007/08 to FY2008/09
<b>African American</b>					
Bon Appetit Catering	Catering Services	African American	0	46	
Career Alliance	Temporary Personnel Agency	African American	206	174	
Chigbu, Paulinus	SFEP Consultant	African American	0	2	
Hood, Walter	General Assembly Speaker	African American	0	1	
Keating, Marisela	Consultant	African American	1	0	
Mission Economic Dev	Consultant	African American	30	0	
National Forum for Black Public Adm	Professional Organization	African American	1	0	
Policylink	Consultant	African American	10	0	
Sight & Sound Corp	Audio/Video work	African American	20	0	
Watercourse Engineer	Consultant	African American	10	0	
Total African American			277	223	23.9%
<b>Asian</b>					
Accent Service Company Inc	Custodial Services	Asian	30	28	
Easy Copy Center	Copying	Asian	1	0	
Fastsigns	SFEP Signs	Asian	1	0	
Jameson, Anand	SFEP Consultant	Asian	0	2	
JT Litho	Printing	Asian	78	62	
LunchStop Café Metro	Food Service	Asian	22	14	
Microgear, Inc.	Computer Supplies/Maintenance	Asian	0	28	
Oakland Marriott City Center	Conference/Workshop	Asian	13	0	
On A Roll	Catering Services	Asian	1	1	
PDQ Print Copy	Printing	Asian	2	0	
Software House Inter	Agency Computer Supply	Asian	0	5	
SSP Data Products	Consultant Agency Computer Si	Asian	50	36	
Variable Path Inc	Computer Supplies/Maintenance	Asian	0	2	
V-Soft, Inc	Database Consultant	Asian	190	174	
Total Asian			388	354	9.7%
<b>Hispanic</b>					
Alonzo Printers	SFEP Printers	Hispanic	28	26	
Goza Gear	Bay Trail Supplier - Promo Itc	Hispanic	1	1	
Pastor, Manuel	General Assembly Speaker	Hispanic	0	2	
Pestec	SFEP Consultant	Hispanic	0	2	
Total Hispanic			29	30	-2.4%
<b>Woman</b>					
Ankrum, Kathryn A	SFEP Consultant	Woman	0	10	
Brockbank, Marcia	SFEP Consultant	Woman	5	4	
Calflora Database	SFEP Consultant	Woman	0	4	
Chops Steakhouse	Catering Services	Woman	4	0	
Coale, Kristi	SFEP Consultant	Woman	0	5	
Collins, Laurel	SFEP Consultant	Woman	0	3	
Digital Hive	Haz Waste/Green Business	Woman	3	0	
Drlik, Tanya	Consultant	Woman	1	0	
Ely, Eleanor	CALFED Consultant	Woman	0	8	
Finger Design Assoc	Graphic Designer	Woman	45	0	
Goodwin Consulting Group Inc	Consultant	Woman	26	26	
Hall Enterprises Inc	PLAN Dept Legal Counsel	Woman	45	18	
Innes, Judith e	SFEP Consultant	Woman	3	7	
Jeanne Perkins Consulting	Consultant	Woman	106	96	
JM Design	Printing	Woman	6	0	
JP Graphics Inc	SFEP Printer	Woman	12	5	
Keynote Speakers, Inc	Speaker Fees/Consultant	Woman	2	0	
Krieshok, Lisa	SFEP Consultant	Woman	0	1	
Lewis, Karen	Consultant	Woman	4	0	
Lisowski, Nina	Estuary Project Consultant	Woman	2	4	
Marshall, Jill	SFEP Consultant	Woman	1	0	
Meyer, Judith L	SFEP Consultant	Woman	0	4	
Morrison O'Hara	Engraving/Awards	Woman	0	1	
Orenstien, Suzanne	SFEP Consultant	Woman	8	0	
Patton, Joan	Estuary Project Consultant	Woman	6	24	
Pristia, Elizabeth	Consultant/PLAN Corp.	Woman	1	3	
Real Facts	Info/Analysis Supplies	Woman	0	2	
Reed, Denise j	Consultant	Calfed woman	2	0	
Safety Compliance Management	Training	Woman	294	336	
Sloan, Roberta	SFEP Consultant	Woman	15	25	
Sullivan, Veronica	SFEP Consultant	Woman	0	2	
TDC Environmental LLC	SFEP Consultant	Woman	62	79	
Thornton, Carol	SFEP Consultant	Woman	18	36	
Wildwood Crafts	Engraving/Awards	Woman	1	0	
Total Woman			671	704	-4.6%
Total MBE/WBE			1,366	1,311	4.2%
Total ABAG Consulting/Service Contracts			6,193	5,719	
Percent MBE/WBE of Total Consulting/Service Contracts			22.1%	22.9%	

**Submitted by:** Herbert Pike and Brian Kirking  
**Subject:** Authorization to Borrow up to \$700,000 for Office Renovation  
**Date:** September 17, 2009

### **Background**

For the following reasons, ABAG is requesting approval to renovate its workspace at the MetroCenter which has not been significantly updated since ABAG moved in back in 1984. Because of the age of the furnishings, partition walls are not fully secured to prevent leaning/falling; loose wires have been used in place of wiring integrated into partition walls; modular furniture is not utilized uniformly, much of the cubicle furniture represents recycled desks and file cabinets, partition walls reflect 25 years of wear and tear; employee chairs are broken and worn; ceiling tiles are discolored, broken, discolored and not uniform; and walls are dull and full of nail holes, outlet holes, exterior wiring that was not integrated into the walls, chips, and scrapes. We also have a phone system that has not been updated for over 12 years. These deficiencies were pointed out when an internal scan of employees was conducted and assessed to contribute to less than optimal employee morale. Much of the current furniture also does not conform to current ergonomic standards.

### **Estimated Scope of Renovation and Costs**

1. Cubicles and Modular Furniture (includes project design, project management, installation and electrical)	\$350,000
2. Chairs	30,000
Other Furniture (Moveable, e.g. File Cabinets)	15,000
3. Painting	30,000
4. Remodeling of Corridor	15,000
5. Ceiling Tile Replacement	30,000
6. Built-in Cabinets	15,000
7. Phone System (including consultant)	
8. Cabling & Related Hardware (for phones & computers)	80,000
9. Contingency(9%)	<u>55,000</u>
<b>Total</b>	<b><u>\$700,000</u></b>

### **Projected Funding**

A capital loan is proposed of up to \$700,000 that would be amortized over 10 years. Interest payments would not exceed \$100,000 per year. The purchased furniture would be depreciated over the same period and would be included in the overhead calculations. The impact should be nominal since the last loan payment on the

building is being made in December 2009. Essentially, the office renovations would supplant the funds previously allocated for building pay-off.

**Staff Recommendation**

Staff seeks authorization to borrow up to \$700,000 to fund office renovations.

